

Message Text

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ACTION AGRE-00

INFO OCT-01 EA-09 NEA-10 ISO-00 AID-05 IGA-02 EB-08

COME-00 TRSE-00 OMB-01 CIAE-00 INR-07 NSAE-00

/043 W

-----220105Z 056347 /15

R 210900Z APR 77

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 7149

INFO AMEMBASSY NEW DELHI

AMEMBASSY SINGAPORE

UNCLAS COLOMBO 1394

DEPT PASS USDA FOR CEP/OGSM; NEW DELHI FOR AGATT:
SINGAPORE PLEASE PASS ALAN HUNT, WHEAT ASSOCIATES USA

E.O. 11652: N/A

TAGS: EAGR, CE

SUBJ: WHEAT GRAIN SALES TO SRI LANKA STATE FLOUR MILLING CORP.

REF: COLOMBO 0875

1. DURING APRIL 1 VISIT OF USDA/WESTERN WHEAT ASSOCIATES TEAM, STATE MILLING CORP. CHAIRMAN, V. P. SILVA, SAID HE PLANNED TO PURCHASE FOR CASH 5,000 TONS OF US HARD RED WINTER WHEAT FOR A TEST RUN IN HIS MILL. COST OF SHIPPING THIS RELATIVELY SMALL AMOUNT OF WHEAT WOULD BE VERY EXPENSIVE, HOWEVER, SO SILVA INDICATED HE WAS TALKING WITH FOOD COMMISSIONER'S OFFICE ABOUT POSSIBILITY OF COMBINING GRAIN WITH A PL 480 FLOUR SHIPMENT. SILVA STATED HE WOULD CALL EMBOFF FOLLOWING WEEK TO DISCUSS TENDER ARRANGEMENTS.

2. EARLY THE NEXT WEEK, EMBOFF SPOKE WITH DEPUTY FOOD COMMISSIONER PULENDIRAN AND DISCOVERED THAT LAST SHIPMENT OF FIRST 100,000 TONS OF PL 480 FLOUR WOULD LOAD IN MID-APRIL WHICH WAS UNCLASSIFIED

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NOT ENOUGH TIME FOR SILVA TO TENDER FOR GRAIN PURCHASE. SECOND 100,000 TONS UNDER AMENDMENT TO FY 77 PL 480 AGREEMENT WOULD NOT BEGIN LOADING UNTIL MID-JUNE. AS SUPPLY OF GRAIN UNDER PRESENT AUSTRALIAN CONTRACT WILL BE EXHAUSTED BY AUGUST, MID-JUNE SHIPMENT WOULD NOT ALLOW ENOUGH TIME FOR SAMPLE TO ARRIVE AND BE TESTED, AND FOR SILVA TO TENDER FOR ANDN RECEIVE ADDITIONAL AMERICAN WHEAT BEFORE AUSTRALIAN SUPPLIES RUN OUT.

3. AFTER REPEATED EFFORT TO CONTACT SILVA AT HIS OFFICE AND HIS HOME, EMBOFF DISCOVERED HE HAD GONE ON VACATION DURING SINHALA AND TAMIL NEW YEAR CELEBRATIONS AND WAS OUT OF COLOMBO. EMBOFF FINALLY REACHED SILVA ON APRIL 18; SILVA SEEMED SURPRISED WHEN TOLD OF TIMING PROBLEM USING PL 480 SHIPS. HE SAID HE WOULD CONSULT WITH FOOD COMMISSIONER AND CALL EMBOFF BACK IN "NEXT FEW DAYS." APRIL 21 EMBASSY CALLED SILVA TO FIND OUT RESULTS OF HIS TALKS WITH FOOD COMMISSIONER. SILVA ACKNOWLEDGED THAT IT WOULD NOT BE POSSIBLE TO USE PL 480 SHIPS AND ESTIMATED ADDITIONAL COST OF SHIPPING GRAIN ALONG WOULD BE \$25,000 TO \$30,000 WHICH GSL COULD NOT AFFORD. WHEN EMBOFF SUGGESTED THAT SILVA TENDER FOR GRAIN ON A C AND F BASIS AND LET SUPPLIER FIND CHEAPEST WAY OF SHIPPING, SILVA SAID THAT WAS ONE POSSIBILITY BUT THEN ADMITTED HE HAD NOT YET OBTAINED FORMAL AUTHORIZATION FROM EXTERNAL RESOURCES DIVISION (ERD) TO MAKE PURCHASE. SILVA SAID HE WOULD RAISE MATTER WITH ERD AND WOULD KEEP EMBOFF INFORMED.

4. IN AN EARLIER CONVERSATION ON CCC CREDIT, ERD DIRECTOR VELAYUTHAM TOLD EMBOFF THAT SAMPLE PURCHASE OF 5,000 TONS OF GRAIN WOULD BE FOR CASH. VELAYUTHAM SAID NO APPLICATION WOULD BE MADE FOR CCC CREDIT UNTIL RESULTS OF TEST RUN WERE KNOWN.

5. EMBOFF DISCUSSED WITH LOCAL DREYFUS REPRESENTATIVE POSSIBILITY OF INCLUDING 5,000 TONS OF GRAIN IN LARGER SHIPMENT DESTINED FOR NEARBY PORT SUCH AS SINGAPORE. ACCORDING TO DREYFUS REPRESENTATIVE, THIS WOULD BE ALMOST AS EXPENSIVE AS A DIRECT SHIPMENT OF 5,000 TONS.

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6. COMMENT: EMBASSY WILL CONTINUE TO PRESS SILVA AND VELAYUTHAM ON TWO WHEAT SALE PROPOSALS. ANY SUGGESTIONS USDA MAY HAVE ON WAYS TO MINIMIZE COST OF SMALL SHIPMENT OF 5,000 TONS OF GRAIN WOULD BE APPRECIATED.

REED

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 21-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977COLOMB01394
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770139-0801
Format: TEL
From: COLOMBO
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ISecure: 1
Legacy Key: link1977/newtext/t19770435/aaaabdlg.tel
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Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2741382
Secure: OPEN
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Subject: WHEAT GRAIN SALES TO SRI LANKA STATE FLOUR MILLING CORP.
TAGS: EAGR, EPAP, CE
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